



## **Cincinnati Retirement System Pension Fund Task Force**

### **Minutes**

June 10, 2008 / 3PM  
Centennial II - Auditorium

#### Present:

Milton Dohoney - Chair  
Francis Wagner  
Cathy Crain  
Marianne Steger  
Chris Stenger  
John Brazina (CODE representative)  
Linda Graviss  
James F. Girton

#### Absent:

Marijane Klug  
Diana Frey  
Hilary Bohannon

#### Administrative Staff Present:

Joe Gray  
Lea Carroll  
Lisa Berning (Human Resources Representative)

The Chair confirmed a quorum and the meeting was called to order: 3:06 PM

#### **JUNE 6, 2008 TASK FORCE MINUTES**

Motion made by M. Steger, seconded by C. Crain to approve the minutes as submitted. The motion was carried.

#### **RISK MANAGEMENT**

Chuck Haas, Finance Manager, provided the following reports for review:

- Potential Retiree Medical Plan Savings – Annual Basis  
The report identified the annual savings for each of the four recommendations:
  1. Eliminate the Traditional Indemnity Plan Option
  2. Revise the Prescription Drug Copays
  3. Change the Coordination of Benefits Methodology
  4. Replace the Indemnity Plan with Modified PPO Plan

#### 2. Retiree Out-of-Pocket (Copays) with Rx Caps

- The report identified the number of retirees and the resulting dollar amounts that exceed the examples shown.

Chuck Haas was requested to provide the following data at the June 17<sup>th</sup> meeting:

- The total number of members currently enrolled in the Traditional plan.
- The total number of members who reach the annual out-of-pocket maximum.

The Task Force closely re-examined some of the data reviewed previously. The group referred to Buck's ten recommendations to assist in refining the Task Force proposals:

Buck Recommendations:

- 1) Dependent Eligibility Audit  
(Currently evaluated by CRS)
- 2) Revise Grandfathered Prescription drug co-pays
- 3) Mandatory mail-order for maintenance drugs
- 4) Consumerism plan replacing 80/20
- 5) Wellness Programs
- 6) Communication Audit
- 7) Change Medicare Coordination Method
- 8) Change Grandfathered to 80/20 plan
- 9) Eliminate Grandfathered Indemnity Option
- 10) Change Eligibility Requirements for Actives

The group agreed they were prepared to transfer their oral discussions to paper. This preliminary outline will serve as a tool for obtaining additional data and fine-tuning recommendations.

The members identified specific areas requiring further consideration in order to provide short-term and long-term solvency of the CRS:

1. Vendor efficiencies – specifically drug
2. Drug rebates
3. Drug pricing – spread-pricing issue
4. Drug Purchasing Coalition – consider joining
5. Generic Drugs – increase education and utilization
6. Bid-out medical plans every 5 years (short term and long term)
7. Address the accumulating unfunded liability
  - a. Consider tax-exempt pension bonds
  - b. Amortization schedule
9. Consider changing eligibility requirements for active employees (long-term)
10. Get commitment as to how CRS will pay for the increasing unfunded liability
  - a. How to pay for the unfunded actuarial accrued liability
    - i.e. reduce cost or increase contributions
  - b. The city should designate the pension funding level and develop reasonable strategy
  - c. No split-out of medical plan and pension plan
11. Look into reducing benefits for new hires (long-term)
12. Consider goal of 100% funding: Funding level needs be to determined
13. Conduct periodic peer review of benefit package
14. Develop a Wellness Program – (long-term)
15. Restore the 6.1 Millage and allocate portion to increase funding
16. Eliminate Point System for healthcare benefits for active employees hired after 1997
  - a. Compare cost to the 80/20 plan

Motion made by C. Stenger, seconded by C. Crain to adjourn. Meeting was adjourned: 4:50 PM.